

Report of the Interim Deputy Chief Executive

FUTURE OF THE TOWN HALL, BEESTON - EXPRESSIONS OF INTEREST1. Purpose of the report

To report to Committee the latest developments on the future of the Town Hall in Beeston and to seek approval for the criteria for assessing expressions of interest and detailed business cases.

2. Background

Members will recall the reports and meetings of 3 October 2017 and 6 February 2018 relating to the potential future of the Town Hall in Beeston. Committee resolved to consult widely on possible options for the future of the Town Hall in Beeston and then to invite groups to submit more specific proposals.

3. Expressions of interest

The Council launched an invitation to submit expressions of interest on 7 March 2018 and the closing date was 3 April 2018. It is a two stage process; organisations successful at stage 1 will then be invited to submit a full business case. These business cases will be considered by officers and a report with recommendations will be brought back to the 4 July 2018 meeting of this committee.

Appendix 1 contains details of the proposed criteria to be used in the assessment process.

The confidential appendix 2 contains further details of the expressions of interest received, a brief summary is given below:

- One consortium of four community groups
- One faith group
- One developer
- One student co-operative

4. Financial implications

There are none immediately arising from this report, although any future decision on the future of the town hall could clearly have significant financial implications.

Recommendation

The Committee is asked to RESOLVE that the proposed assessment criteria given in appendix 1 be approved and to NOTE the expressions of interest submitted detailed in appendix 2 along with the officer commentary.

Background papers

Nil

Proposed assessment criteria

**INVITATION TO TREAT (ITT) FOR FREEHOLD OR LEASEHOLD INTEREST IN
BEESTON TOWN HALL
SUBJECT TO CONTRACT**

Introduction

In March 2018, Broxtowe Borough Council invited Expressions of Interest (EOI) from organisations wishing to occupy Beeston Town Hall if vacated by the Council.

As the sponsor of one or more of these short-listed EOI, you are now invited to prepare a more detailed and final bid. All such offers will be considered at the Full Council Meeting scheduled for 17 October 2018, following which the successful bidder(s) (if any) will be notified and invited to enter into a formal contract for sale or lease as appropriate.

Please note that the Council reserves the right not to accept the highest or indeed any offer.

Property details

Floor plans and a location plan were provided as part of the EOI information pack. These remain valid for the subject ITT

The Council's policy on the Disposal of Land and Property will apply to any use, letting or disposal of the Town Hall. A copy of the full policy document will be found on the Council's website.

Please note that Devonshire Avenue car park is to be retained for use by Council employees who need to use their vehicles as part of their daily jobs and is not therefore available for Town Hall users during weekday office hours. This car park may be available outside of these times under a separate licence agreement, depending on demand for general town centre parking to support other new initiatives such as the proposed cinema development on the former bus station site.

Costs and values

The Council is open-minded as to whether a freehold sale or leasing solution will be favoured. In either scenario, it is important that proposers understand the financial implications of taking on the Town Hall. Their ability to afford these will be tested in detail through this ITT.

To assist interested parties with their financial forecasts, the table below is a summary of running costs for the last financial year.

Revenue	£ cost 2016/17
Annual planned and reactive maintenance	10,340
Pay and superannuation of cleaning /caretaking/support service	16,178
Alarm system	75
Air conditioning	239
Lift maintenance	278
Fire equipment maintenance	2,012
Civic amplifier system maintenance	1,171
Lightning conductor maintenance	294
Automatic door maintenance	445
Electrical testing	689
Trade refuse collection	4,583
Gas	4,658
Electricity	26,188
NNDR (2017 list) <i>NB: Charitable organisations may be entitled to relief or exemption from rates.</i>	25,595
Water	2,215
Cleaning materials	848
Towel supply	801
Window cleaning	400
Equipment tools	19
Security	351
Insurance premium	8,949
Grounds maintenance	1,419
Subtotal annual revenue expenditure	107,748

Furthermore, purchasers or long term tenants will be required to assume responsibility for periodic capital repairs – these can be considerable in an historic building. You are encouraged to undertake your own assessment of these repairs but should be aware that significant investment in replacing / upgrading heating systems, bringing the lift up to modern accessibility standards and window replacement will likely be required over the next few years. (These underlying liabilities are one reason why the Council is relocating its services to more efficient and economic buildings.)

In addition to these running costs, proposals that anticipate the grant of a lease will need to make due allowance for payment of rent as the Council is required by law to achieve “best consideration” when disposing of an asset. As a guide, the open market rental value in existing use and condition has been estimated at around £50,000 per annum.

For an outright purchase, the Council would expect to receive in excess of £500,000 for an unencumbered freehold sale. This is based on independent valuation advice. Finally, any conversion or alteration works required to suit the proposed new uses will need to be fully funded by the occupier(s) / owner(s).

NOTE: In exceptional circumstances, the Council *may* be prepared to consider financial support for compelling proposals that confer substantial community benefit and/or assist directly with delivery of core Council strategic objectives. This support may be in the form of reduced rent, grants towards capital works or other appropriate initiatives.

Planning

The current permitted use for the Town Hall is as office accommodation.

Any proposals involving a change of use will require consent from the Local Planning Authority. This is also Broxtowe Borough Council, but applicants should note that planning is a statutory function separate to the Council's property ownership function.

The cost of planning and any other necessary consents will be the responsibility of the applicant.

General enquiries may be made of the planning department, but interested parties will not be required to submit a formal application as part of their response to this invitation.

A recent third party application to list the building was rejected by Historic England. Notwithstanding, the Council will give more favourable consideration to proposals that retain valued features of the building. These are: The front elevation, stained glass panel on the half-landing (which could be relocated) and potentially the staircase.

The Council will similarly favour proposals that include retention of the Town Hall in substantially its existing form. Demolition and redevelopment is the least favoured option and will only be entertained if no suitable alternatives emerge from the subject process.

Access

Appointments can be made to inspect the Town Hall by arrangement with: **John Delaney, Head of Property Services, Broxtowe Borough Council.**
john.delaney@broxtowe.gov.uk

Guidance for Proposers

It is unlikely that the Council will retain any residual presence in the Town Hall in the medium to long-term. It will therefore favour proposals that address how the entire building will be used and managed. If your plans only require a part of the building and/or occasional use, you are encouraged to develop a joint solution with other like-minded organisations.

The Council is open to bids from both community and commercial organisations who may be able to secure the Town Hall's future, make a positive contribution to the viability and vibrancy of Beeston Town Centre and strengthen the local community. This process is intended to provide a medium to long-term (if not permanent) solution for the Town Hall and it is therefore essential that bidders are able to demonstrate that their plans are affordable and sustainable. This is why the Council now requires your response to the EOI to be amplified with detailed financial, business and organisation information. It is acknowledged that this may represent a considerable burden for some organisations. If you wish to discuss any aspect of your proposal on a confidential basis before committing to the production of such information, please contact John Delaney, Head of Property Services at Broxtowe Borough Council, as above.

Your response should therefore address the following:

About you / the organisation you represent

NB: Proposals made on behalf of one or more organisations are welcome, but you will need to fully explain the working arrangements between partners and identify which organisation will take the lead role. Separate organisation and financial details will be required for each party involved.

1. Type of organisation (partnership / company / charity / etc.)
2. If a company or charity, please enclose your Certificate of Incorporation and/or Charity Registration Document.
3. For other organisations, date of formation.
4. Official registered address
5. Communication address (if different) and main contact details.
6. Description of primary activities
7. Geographical area of operation
8. Full list of all Directors / Officers / Persons of Significant Control with a summary CV for each listing:
 - a. Date of birth
 - b. Relevant professional qualifications
 - c. Time with organisation
 - d. Experience in the type of work your organisation undertakes
 - e. How engaged (employee / volunteer / investor / etc.)
 - f. Commitment to charity (full-time / part time (state % full time equivalent))
 - g. Any anticipated change in the above if your proposal is accepted
9. Organisation structure – now and proposed

Financial standing

NB: If your proposal is for a start-up business or organisation to operate from the Town Hall, you will need to clearly demonstrate how this will be funded and how commitments to maintain the building, together with the payment of rents and other occupation costs, will be guaranteed.

1. Bank details
2. Accountant details
3. Copies of accounts for last 3 years.
4. If latest set of formal accounts relates to a period ending more than 6 months ago, up-to-date management accounts
5. Details of significant liabilities (if not shown in accounts)
6. Details of funding (if not shown in accounts)
7. Any planned changes if proposal is accepted (e.g. sale of existing assets, relocation, surrender of leases, new borrowing arrangements, etc.)

Proposed use

1. Proposed building use (e.g.: offices, art gallery, restaurant, etc.)
2. With this require planning consent? If yes, explain how the proposed use will address relevant planning policies.
3. Brief description of any significant changes required to the Town Hall to facilitate the proposed use(s). Simple plans and elevations should be submitted to illustrate these.
4. Please explain how any public access to the building will be maintained.
5. Are you hoping to purchase the building or take a lease with full repairing obligations?

Business case

Please include a detailed business plan as part of your application. This should clearly demonstrate that your proposal for the Town Hall is realistic, sustainable and affordable. There is no specific requirement for how this plan is structured, but it should normally contain the following information as a minimum:

- a) Description of the proposal
- b) Demand and competition analysis
- c) Marketing plan
- d) Resources plan
- e) Management plan
- f) Cash flow forecast (income and expenditure) for the first 5 years of operation
- g) Details of capital investment required and sources of funding
- h) Executive summary

Statement of community benefit (non-commercial offers)

1. Please explain how your proposal will provide social and/or economic and/or environmental benefits to the local community.
2. Please explain how your proposal will encourage diversity and work to improve community cohesion and reduce inequalities.

3. Please explain how your proposal will contribute to the Council's own priorities and strategic objectives.

Conflicts of interest

Bidders are reminded that any personal relationships between proposers, their immediate families and/or business associates with Officers or Members of Broxtowe Borough Council must be declared within your bid document. Whilst the existence of such relationship(s) will not automatically result in proposals being dismissed, failure to declare such will.

Submission details

Two paper copies of bids are required to be submitted as below, together with 1 electronic copy on disc.

These should be sent to: **John Delaney, Head of Property Services, Broxtowe Borough Council**

Either by e-mail to: john.delaney@broxtowe.gov.uk

Or post / delivery in person to: **Town Hall, Foster Avenue, Beeston, Notts. NG9 1AB**

To arrive not later than 12:00 noon on Friday 15 June 2018

Evaluation Criteria

Bids will be assessed based upon a combination of commercial and quality criteria within the overall context of the Council's Disposal of Land and Property Policy, as referenced above. These will be scored and weighted as detailed below. Any zero scores will generally result in a bid being disqualified as non-compliant (save for community benefit in a wholly commercial offer).

Element	Weighting
Commercial (purchase price / rent)	35
Robustness of organisation	10
Financial standing	15
Proposed use – specific reference to retention of building or features, public access, contribution to vibrancy and vitality of town centre, strengthen community.	15
Business case	20
Statement of community benefit	5
TOTAL	100%

How we will score commercial element of applications (35%):

We will score rent or purchase offers using the following formula:

$$\frac{\text{Your bid}}{\text{Highest alternative bid}}$$

NOTE:

- Rental bids that are not straight line (i.e. they are stepped or similar) will be averaged over the first 5 years.
- If the highest alternative bid is less than the target figures set out in this ITT, then the latter will be used.

EXAMPLES:

- If your bid is a rent of £35,000 per annum and the highest alternative is £55,000, you will score 0.636 (35,000/55,000)
- If you offer £250,000 to buy the property and the highest alternative is £500,000, you will score 0.5 (250,000/500,000)

How we will score quality element of applications (65%):

Score	Requirements to attain Score
0	Completely unsatisfactory/unacceptable response No response to the question or serious deficiencies in meeting the required standards. The risk to the Council is very high.
1	Poor response The proposals provide only limited evidence that the specified requirements will be met and / or demonstrate significant omissions and / or demonstrate only a limited level of quality. The risk to the Council is high.
2	Acceptable response in most areas The response is compliant in most areas, but in some areas falls short of the required standards. The proposals provide evidence that reasonable quality will be met where detailed, but with some material omissions. The risk to the Council is medium.
3	Good response The response is compliant and meets the contract standards. The proposals provide evidence that the specified requirements will be met, with no more than minor omissions and where any concerns are only of a minor nature, and demonstrate reasonable quality. The risk to the Council is low.
4	Outstanding response The response is fully compliant, with no omissions, and clearly indicates a full understanding of the contract. The proposals provide strong evidence that all of the specified requirements will be consistently delivered to a high level of quality. The risk to the Council is very low.

Each bidder will be provided with a copy of the anonymised scoresheet for all compliant bids once a final decision has been made. No other feedback may be given other than that which may be required by law.

Address for Queries

Any queries regarding this information pack and/or details required within your Expression of Interest should be addressed to **John Delaney, Head of Property Services, Broxtowe Borough Council** as per the contact details above.

Privacy Policy

The expression of interest you submit will be retained for up to 6 years in electronic and/or hard copy format for the sole purpose of assessing your interest in the town hall. Whilst commercial confidentiality will be maintained wherever possible and appropriate, your submission, or a redacted version thereof, may be subject to release under Freedom of Information and other legislation.

Please also confirm in your submission that you are happy for it to be passed on in whole or in part to the Council's external professional advisors for the sole purpose of assisting the Council in assessing your submission.